

REGULAR BOARD OF TRUSTEES MEETING

The regular monthly meeting of the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., was held Tuesday, September 12, 2023, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by President, Chris Kelly, who acted as chairman and presided at the meeting. Kitty Sweaney, Accounting & HR Manager, recorded the minutes thereof.

Upon calling the roll, the following Trustees reported as present:

Trey Clapp	Stephanie Ollenborger	Steve Clark
Barry Speer	Alex Fulsom	Dan Hubert
Steve Warburton	Chris Kelly	Charles McMillan

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, Becky Williams* and Kitty Sweaney. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Trey Clapp offered a prayer, and Kelly opened with the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked to add consideration of an annual 125 Plan Administrative Services Agreement. It was moved by Steve Warburton, seconded by Dan Hubert, and carried, to add this change to the Agenda.

The next order of business was review of the minutes of the regular board meeting of August 8, 2023. After noting a correction to the spelling of Chris Kelly's name on page 4, it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, that the minutes be approved as mailed and corrected.

The Board then considered the new membership list. After review and on motion by Dan Hubert, second by Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board reviewed the July expenditures. After explanation of the franchise taxes paid to the cities, Allen Zadorozny mentioned that he had attended the meeting of the Havana city council last night to go over the renewal of the Havana franchise. He advised that the city council went ahead and approved the franchise with the same terms from 2018, including the 3% franchise fee.

One old account was presented for consideration. It was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to turn this account over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety Report, including new consumers' line extensions, outages, safety meeting minutes and transportation. Discussion was held on the transformer that needs to be replaced at the Chautauqua County fairgrounds, as well as some other work that needs to be done there. It was moved by Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried, to approve the safety meeting minutes as presented. It was noted that staff found a program truck to replace unit #10; and unit #12 only needed the heads replaced – however, it is back at Doenges right now to replace a pan bolt that twisted off.

Counsel Buck had nothing to report at this time.

Manager Zadorozny reviewed the July financial statements. Margins for the month came in at a loss of \$97,328. This brought year-to-date to a loss of \$230,736, which is better than budgeted and better than a year ago at this time. We still have \$1,000,000 in temporary investments, and \$1,390,000 cash on hand. Craig Lampson mentioned that KEPCo hit their peak on August 31, and Caney Valley's peak that day was 14.9 KW, which will affect our ratchet rate for the months of October through May. He added that if the solar project had already been completed, it would have shaved 1 KW off that peak, which would have benefited us in the winter months.

*Becky Williams came in at this time, 7:25 p.m.

Zadorozny advised the long-term debt-to-assets ratio stayed nearly the same as the previous two months. He compared July revenues and expenses against budget and the previous two years. Meters billed dropped to 5,185, but went up again to 5,197 for August. Zadorozny reviewed the cash receipts and expenditures, and noted the \$39,649 spent for a recloser for the solar project. Caney Valley's expenses for the solar project include the land and all equipment (transformer, recloser, etc.) to tie into the solar farm. TPI owns and maintains all the solar equipment. Zadorozny also went over the July power bills and right-of-way clearing expenses.

In his Manager's report, Zadorozny provided some financial estimates for August based on kWh sales and purchases. Projected margins are \$21,000.

A review and discussion were held on capital credits and how they are allocated to the members each year. Currently, allocation is made based on revenues; the Board may want to consider changing that so it is based on kWh usage. It was suggested that discussion will be held again next year prior to the allocation being done. The cooperative by-laws provide payment to heirs upon the death of a member, as well as a general retirement of credits, provided the financial condition of the cooperative is adequate to do so.

NRECA has a new cyber security training available to board members and employees. Becky Williams gave a presentation at this time on the 10 goals of the training and the guide books that are available for the board, manager, and employees.

It was reported that the pilings for the solar project have been installed, and work is expected to be completed in late November. Staff may include a spare transformer for our side of the project, since the "out" time is currently 3 years to obtain one. For insurance purposes, the solar project is treated like a substation and our capital outlay is covered by insurance.

As the CoBank Sharing Success Program ends this month, the Board was asked to bring up any possible donation requests. However, there were none.

Policies #200 – 203 were presented for review. Suggested changes were presented on Policy #202 by staff. After discussion, it was moved by Steve Clark, seconded by Barry Speer, and unanimously carried, to add a change from \$100 to \$500 in Section D, and approve the other changes to #202-Purchases as presented. Policy #200-Operating Budget, #201-Accounting Records, and #203-Check Signing & Investment Withdrawal Signatures, were reviewed with no changes.

The following July 2023 Inventory of Work Orders were presented for consideration: #897 for \$62,640.73 and #897-1 for \$11,221.38. It was moved by Steve Warburton, seconded by Alex Fulsom, and unanimously carried, to approve these Work Orders as presented.

Chris Kelly did not have a KEC report. The next meeting is not until October.

Dan Hubert reported on the KEPCo meeting held August 16-17. Costs were down about 5.3%, although natural gas prices rose slightly. Wolf Creek had trouble from storm damage, and was down for a short time to make repairs. Ty Thompson with NRECA provided some board training. Iatan II was at 85% for July, and is planned to be used through 2045. The next KEPCo meeting is next week.

Annual renewal for the cooperative's 125 Plan Administrative Services Agreement was presented for consideration. This Agreement is updated annually to comply with federal law changes. After discussion, it was moved by Barry Speer, seconded by Charles McMillan, and unanimously carried, to approve the 125 Plan Administrative Services Agreement for 2024.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Trey Clapp, and unanimously carried, to adjourn at 8:37 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary